agreement with Reliance for uplifting their product. IBP's quantities are covered under the bilateral agreement between IOCL and RIL. The above agreement has enabled Public Sector Oil Companies to meet entire domestic demand of petroleum products which includes the Retail Outlet demand, out of indigenous production only which otherwise would have been imported.

Passing of subsidies to Oil PSUs

78. SHRI V.V. RAGHAVAN:

SHRI N.R. DASARI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the public sector oil firms have been asked to bear the burden of subsidy on LPG and kerosene; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) and (b) PDS Kerosene and Domestic LPG are subsidized products. Considering that these products are domestic fuels of mass consumption, the Government has decided that the Oil Marketing Companies will not increase their selling prices during 2003-04. As a result, in addition to the Government subsidy available on these products, the public sector oil and gas companies are expected to absorb/share under-recoveries estimated to be around Rs. 8200 crore during the year 2003-04.

Splitting of IOC

79. SHRI V.V. RAGHAVAN:

SHRI N.R. DASARI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering a proposal to split the Indian Oil Corporation (IOC) into three separate entities; and

(b) if so, the details thereof and the reasons therefore?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) and (b) While considering the judgement of the Supreme Court dated 16.9.2003 on HPCL & BPCL, the Government have decided to pursue the following three options simultaneously :